



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

APR - 9 2015

REPLY TO THE ATTENTION OF:

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Christopher Bender
Environmental Compliance Coordinator
Utica East Ohio Midstream
11543 State Route 644
Kensington, Ohio 44427

Re: Finding of Violation
Kensington Processing Plant
Kensington, Ohio

Dear Mr. Bender:

The U.S. Environmental Protection Agency is issuing the enclosed Finding of Violation (FOV) to Utica East Ohio Midstream, LLC (you) under Section 113(a)(3) of the Clean Air Act, 42 U.S.C. § 7413(a)(3). For the reasons stated in the FOV, we find that you are violating and/or have violated the New Source Performance Standards for Crude Oil and Natural Gas Production, Transmission and Distribution at your facility located at 11543 State Route 644 in Kensington, Ohio.

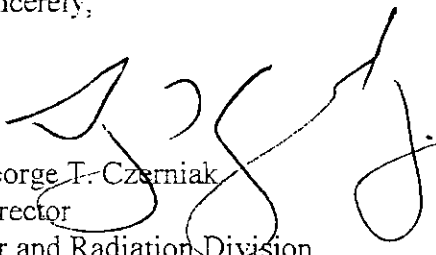
Section 113 of the Clean Air Act gives us several enforcement options. These options include issuing an administrative compliance order, issuing an administrative penalty order and bringing a judicial civil or criminal action.

We are offering you an opportunity to confer with us about the violations alleged in the FOV. The conference will give you an opportunity to present information on the specific findings of violation, any efforts you have taken to comply and the steps you will take to prevent future violations. In addition, in order to make the conference more productive, we encourage you to submit to us information responsive to the FOV prior to the conference date.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

The EPA contacts in this matter are Constantinos Loukeris and Katharina Bellairs. You may contact them at (312) 353-6198 and (312) 353-1669 to request a conference. You should make the request within 10 calendar days following receipt of this letter. We should hold any conference within 30 calendar days following receipt of this letter.

Sincerely,



George T. Czerniak
Director
Air and Radiation Division

cc: Bob Hodanbosi, Chief, Division of Air Pollution Control

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

IN THE MATTER OF:

Utica East Ohio Midstream, LLC
Kensington, Ohio

Proceedings Pursuant to
Section 113(a)(1) of the
Clean Air Act, 42 U.S.C.
§ 7413(a)(1)

FINDING OF VIOLATION

EPA-5-15-OH-10

FINDING OF VIOLATION

The U.S. Environmental Protection Agency (EPA) is issuing this Finding of Violation under Section 113(a)(3) of the Clean Air Act, 42 U.S.C. § 7413(a)(3). EPA finds that Utica East Ohio Midstream, LLC's Kensington Processing Plant (KGP) is violating and/or has violated the Standards of Performance for Crude Oil and Natural Gas Production, Transmission and Distribution at 40 C.F.R. Part 60, Subpart OOOO, as follows:

Relevant Statutory and Regulatory Background

40 C.F.R. Part 60, Subpart OOOO

1. Under Sections 111 and 114 of the Act, 42 U.S.C. 7411 and 7414, EPA promulgated the general provisions of the New Source Performance Standards (NSPS), which are codified at 40 C.F.R. Part 60, Subpart A, 60.1 - 60.19.
2. EPA promulgated the Standards of Performance for Crude Oil and Natural Gas Production, Transmission and Distribution at 40 C.F.R. Part 60, Subpart OOOO ("Subpart OOOO") on September 23, 2013. 78 Fed. Reg. 58435.
3. 40 C.F.R. §60.5365 states you are subject to the applicable provisions of this subpart if you are the owner or operator of one or more of the onshore affected facilities listed in paragraphs (a) through (g) of this section for which you commence construction, modification or reconstruction after August 23, 2011. This includes 40 C.F.R. §60.5365(d)(3) and (e):
 - (d)(3) For natural gas processing plants, each pneumatic controller affected facility.
 - (e) Each storage vessel affected facility.
4. 40 C.F.R. § 60.5430 defines a "natural gas processing plant (gas plant)" as "any processing site engaged in the extraction of natural gas liquids from field gas, fractionation of mixed natural gas liquids to natural gas products, or both."

5. 40 C.F.R. § 60.5430 defines a “pneumatic controller” as “an automated instrument used for maintaining a process condition such as liquid level, pressure, delta-pressure, and temperature.”
6. 40 C.F.R. § 60.5430 defines a “storage vessel” as “a tank or other vessel that contains an accumulation of crude oil, condensate, intermediate hydrocarbon liquids, or produced water, and that is constructed primarily of nonearthen materials (such as wood, concrete, steel, fiberglass, or plastic) which provide structural support.”
7. 40 C.F.R. § 60.5430 defines a Group 2 storage vessel as “a storage vessel, as defined in this section, for which construction, modification, or reconstruction has commenced after April 12, 2013.”
8. 40 C.F.R. § 60.5365 defines a “storage vessel affected facility” as “a single storage vessel located in the oil and natural gas production segment, natural gas processing segment or natural gas transmission and storage segment, and has the potential for volatile organic compounds (VOC) emissions equal to or greater than 6 tpy as determined according to this section by October 15, 2013 for Group 1 storage vessels and by April 15, 2014, or 30 days after startup (whichever is later) for Group 2 storage vessels.”
9. 40 C.F.R. § 60.5395(c) states “[i]f you are the owner or operator of a Group 2 storage vessel affected facility, you must comply with paragraphs (d) through (g) of this section.
10. 40 C.F.R. § 60.5395(d) states in relevant part, “[v]ou must comply with the control requirements of paragraph (d)(1) of this section unless you meet the conditions specified in paragraph (d)(2) of this section.
11. 40 C.F.R. § 60.5395 (d)(1) states “[r]educe VOC emissions by 95.0 percent according to the schedule specified in (d)(1)(i) and (ii) of this section....
(i) For each Group 2 storage vessel affected facility, you must achieve the required emissions reductions by April 15, 2014, or within 60 days after startup, whichever is later...”
12. 40 C.F.R. § 60.5395(e)(1) states “if you use a control device to reduce emissions from your storage vessel affected facility, you must equip the storage vessel with a cover that meets the requirements of §60.5411(b) and is connected through a closed vent system that meets the requirements of §60.5411(c), and you must route emissions to a control device that meets the conditions specified in §60.5412(c) and (d). As an alternative to routing the closed vent system to a control device, you may route the closed vent system to a process.”
13. 40 C.F.R. § 60.5411(b)(3) states that “[e]ach storage vessel thief hatch shall be equipped, maintained and operated with a weighted mechanism or equivalent, to ensure that the lid remains properly seated.”

14. 40 C.F.R. § 60.5411(c)(1) states “[y]ou must design the closed vent system to route all gases, vapors, and fumes emitted from the material in the storage vessel to a control device that meets the requirements specified in §60.5412(c) and (d), or to a process.”
15. 40 C.F.R. §60.5400(a) states an onshore natural gas processing plant must comply with the equipment leak standard requirements of specific portions of Subpart VVa—Standards of Performance for Equipment Leaks of VOC in the Synthetic Organic Chemicals Manufacturing Industry for Which Construction, Reconstruction, or Modification Commenced After November 7, 2006 (Subpart VVa) at 40 C.F.R. §§60.482-1a(a), (b), and (d), 60.482-2a, and 60.482-4a through 60.482-11a, except as provided in §60.5401.
16. 40 C.F.R. §60.5400(b) states that as an alternative to 40 C.F.R. §60.5400(a), a natural gas processing plant may elect to comply with the requirements of §§60.483-1a and 60.483-2a.
17. 40 C.F.R. § 60.5400(d) states that a facility “must comply with the provisions of §60.485a of this part except as provided in paragraph (f) of this section.”
18. 40 C.F.R. § 60.5400(e) states that a facility “must comply with the provisions of §§60.486a and 60.487a of this part except as provided in §§60.5401, 60.5421, and 60.5422 of this part.”
19. 40 C.F.R. § 60.5400(f) states a facility “must use the following provision instead of §60.485a(d)(1): Each piece of equipment is presumed to be in VOC service or in wet gas service unless an owner or operator demonstrates that the piece of equipment is not in VOC service or in wet gas service.”
20. 40 C.F.R. § 60.482-1a(a) states “[e]ach owner or operator subject to the provisions of this subpart shall demonstrate compliance with the requirements of §§60.482-1a through 60.482-10a or §60.480a(e) for all equipment within 180 days of initial startup.”
21. 40 C.F.R. § 60.482-1a(b) states “[c]ompliance with §§60.482-1a to 60.482-10a will be determined by review of records and reports, review of performance test results, and inspection using the methods and procedures specified in §60.485a.”
22. 40 C.F.R. § 60.482-2a (a)(1) states “[e]ach pump in light liquid service shall be monitored monthly to detect leaks by the methods specified in §60.485a(b), except as provided in §60.482-1a(c) and (f) and paragraphs (d), (e), and (f) of this section. A pump that begins operation in light liquid service after the initial startup date for the process unit must be monitored for the first time within 30 days after the end of its startup period.”
23. 40 C.F.R. § 60.482-11a(a) states “[t]he owner or operator shall initially monitor all connectors in the process unit for leaks by the later of either 12 months after the compliance date or 12 months after initial startup.”

24. 40 C.F.R. § 60.482-11a(d) states that “when a leak is detected pursuant to paragraphs (a) and (b) of this section, it shall be repaired as soon as practicable, but not later than 15 calendar days after it is detected, except as provided in §60.482-9a. A first attempt at repair as defined in this subpart shall be made no later than 5 calendar days after the leak is detected” from a connector.
25. 40 C.F.R. § 60.482-7a(d)(2) states that “a first attempt at repair shall be made no later than 5 calendar days after each leak is detected” from a valve.
26. 40 C.F.R. § 60.482-3a(g)(2) states that “a first attempt at repair shall be made no later than 5 calendar days after each leak is detected” from a compressor.
27. 40 C.F.R. § 60.482-6a(a)(1) states that “each open-ended valve or line shall be equipped with a cap, blind flange, plug, or a second valve, except as provided in §60.482-1a(c) and paragraphs (d) and (e) of this section.”
28. 40 C.F.R. § 60.482-6a(a)(2) states that “the cap, blind flange, plug, or second valve shall seal the open end at all times except during operations requiring process fluid flow through the open-ended valve or line.”
29. 40 C.F.R. § 60.482-7a(a)(1) states that “each valve shall be monitored monthly to detect leaks by the methods specified in §60.485a(b) and shall comply with paragraphs (b) through (e) of this section.”
30. 40 C.F.R. § 60.482-7a(a)(2) states that “a valve that begins operation in gas/vapor service or light liquid service after the initial startup date for the process unit must be monitored according to paragraphs (a)(2)(i) or (ii).”
31. 40 C.F.R. § 60.482-7a(a)(2)(i) states that a facility must “monitor the valve as in paragraph (a)(1) of this section. The valve must be monitored for the first time within 30 days after the end of its startup period to ensure proper installation.”
32. The NSPS Appendix A, at 40 C.F.R. Part 60, Method 21 §§ 8.3.1 and 8.3.1.1, sets forth the technique which must be used to determine if there is a leak from a valve.
33. 40 C.F.R. § 60.485a (b) states “[t]he owner or operator shall determine compliance with the standards in §§60.482-1a through 60.482-11a, 60.483a, and 60.484a as follows: (1) Method 21 shall be used to determine the presence of leaking sources. The instrument shall be calibrated before use each day of its use by the procedures specified in Method 21 of appendix A-7 of this part.”

Findings of Fact

34. Utica East Ohio Midstream, LLC (UEO) owns and operates the KGP, an onshore natural gas processing plant, at 11543 State Route 644, Kensington, Ohio, which removes natural gas liquids from field gas and fractionates the natural gas liquids.
35. UEO KGP is subject to the requirements at 40 C.F.R. Part 60, Subpart OOOO, and those provisions of Subpart VVa that are referenced in Subpart OOOO.
36. UEO KGP started up three parallel gas processing plants as follows: Train 1 in July 2013, gas processing Train 2 in December 2013, and gas processing Train 3 in May 2014.
37. UEO KGP's P003 and T004 tanks are "Group 2 storage vessels" and "storage vessel affected facilities" as defined at 40 C.F.R. § 60.5430 and 40 C.F.R. § 60.5365, and were installed after April 12, 2013 as part of Trains 1, 2 or 3.
38. On October 28, 2014, EPA conducted a CAA inspection of the UEO KGP and performed hydrocarbon imaging using a FLIR® GF-320 camera on storage vessels.
39. During the October 28, 2014 inspection, EPA inspectors found the P003 Closed Drain Tank and the T004 Condensate Product Storage Tank visually leaking hydrocarbon emissions using a FLIR® GF-320 camera, including leaks from thief hatches.
40. On November 3 and 4, 2014, EPA conducted a CAA inspection (November 2014 Inspection) of the UEO KGP and performed monitoring for leaks on valves, pumps, and closure devices of open-ended lines in Train 1 and Train 2 using Method 21.
41. UEO KGP's initial Method 21 monitoring event for valves and pumps in Train 1 took place in January 2014.
42. UEO KGP's initial Method 21 monitoring event for valves and pumps in Train 2 was not completed at the time of EPA's November 2014 Inspection.
43. During the November 2014 Inspection, EPA found three (3) open-ended valves or lines in Train 2 that were capped, plugged, blind flanged, or had a second valve.
44. During the November 2014 Inspection, EPA found 1 open-ended valve or line in Train 1 associated with tag number 5395 having a screening value of 1,100 parts per million (ppm).
45. During the November 2014 Inspection, EPA discovered that UEO KGP is unable to monitor valves that are insulated such that the probe inlet does not reach the surface of the component interface where leakage could occur.
46. In reviewing UEO KGP's leak history, EPA discovered the following leaks that did not have a first attempt at repair within 5 days:

Tag #	Leak Date	Component Type
953	2/27/2014	Valve
2179	5/19/2014	Valve
7312	6/14/2014	Valve
402.1	1/24/2014	Connector
404.1	1/24/2014	Connector
2670	1/24/2014	Compressor
3327	1/24/2014	Connector

Violations

47. UEO KGP failed to perform Method 21 properly on 20 insulated valves (13 valves in Train 1 and 7 valves in Train 2), in violation of 40 C.F.R. § 60.482-7a(a)(1) (and by reference 60.485(b)) and 40 C.F.R. Part 60 Method 21 §§ 8.3.1 and 8.3.1.1.
48. UEO KGP failed to identify and monitor valves (6 valves in Train 1, 12 valves in Train 2, and all valves on the "Cryo Drain" line located in all 3 Trains) subject to the standards set forth at 40 C.F.R. §§ 60.482-1a to 60.482-10a, in violation of 40 C.F.R. §§ 60.632(e), 60.635(a) (and by reference § 60.486(e)(1)).
49. UEO KGP failed to perform the initial monthly monitoring of all pumps in Trains 1, 2, and 3 within 30 days after the end of the startup period in violation of 40 C.F.R. § 482-2a(a)(1).
50. UEO KGP failed to perform initial monthly monitoring of all valves within 30 days in Trains 1, 2, and 3 after the initial startup date in violation of 40 C.F.R. §§ 482-7a(a)(2) and 482-7a(a)(1).
51. UEO KGP failed to cap, blind flange, plug, or second valve each open-ended valve or line in paragraph 43, in violation of 40 C.F.R. 60.482-6a(a)(1).
52. UEO KGP failed to seal each open-ended valve or line in paragraph 44 in violation of 40 C.F.R. § 60.482-6a(a)(2).
53. UEO KGP failed to make timely first attempts at repairs within 5 days on the valves listed in paragraph 46 in violation of § 60.482-7a(d)(2).
54. UEO KGP failed to make timely first attempts at repairs within 5 days on connectors listed in paragraph 46 in violation of § 60.482-11a(d).
55. UEO KGP failed to make timely first attempt at repairs within 5 days on a compressor listed in paragraph 46 in violation of § 60.482-3a(g)(2).

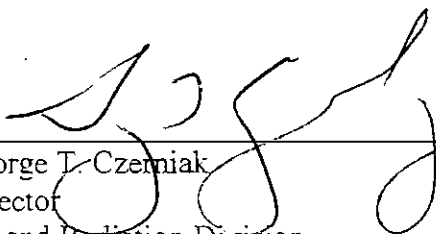
56. UEO KGP failed to reduce VOC emissions by 95 percent at its P003 and T004 tanks within 60 days of startup in violation of 40 C.F.R. § 60.5395(d)(1).
57. UEO KGP failed to equip, maintain, and operate each storage vessel thief hatch on tanks P003 and T004 with a weighted mechanism or equivalent, to ensure that the lid remains properly seated, in violation of 40 C.F.R. § 60.5411(b)(3).
58. UEO KGP failed to design its closed vent system connected to tanks P003 and T004 to route all gases, vapors, and fumes emitted from the material in the storage vessel to a control device, in violation of 40 C.F.R. § 60.5411(c)(1).

Environmental Impact of Violations

59. UEO KGP's above-referenced violations have caused, may and will cause excess emissions of hazardous air pollutants (HAP) and VOC.
60. Excess HAP emissions can cause serious health effects, such as birth defects and cancer, and harmful environmental and ecological effects.
61. Excess VOC emissions can cause eye, nose, and throat irritation; headaches, loss of coordination, nausea; damage to liver, kidney, and central nervous system. Some organics can cause cancer in animals and some are suspected or known to cause cancer in humans.
62. VOC emissions are a precursor to ground-level ozone. Breathing ozone contributes to a variety of health problems including chest pain, coughing, throat irritation, and congestion. It can worsen bronchitis, emphysema, and asthma. Ground-level ozone also can reduce lung function and inflame lung tissue. Repeated exposure may permanently scar lung tissue.

Date

1/8/15


George T. Czerniak
Director
Air and Radiation Division

CERTIFICATE OF MAILING

I, Loretta Shaffer, certify that I sent a Notice of Violation, No. EPA-5-15-OH-10, by

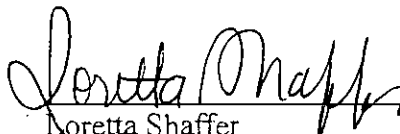
Certified Mail, Return Receipt Requested, to:

Christopher Bender
Environmental Compliance Coordinator
Utica East Ohio Midstream
11543 State Route 644
Kensington, Ohio 44427

I also certify that I sent copies of the Finding of Violation by first-class mail to:

Bob Hodanbosi
Chief, Division of Air Pollution Control
Ohio Environmental Protection Agency
1800 WaterMark Drive
Columbus, Ohio 43266-1049

On the 9 day of April 2015.



Loretta Shaffer
Administrative Assistant
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 7014 2870 0001 9580 5036